



# **KYM HOLDINGS BHD.**

## **Remuneration Policy for Directors and Senior Management**

<b>KYM Holdings Bhd. (84303-A)</b> <b>Remuneration Policy for Directors and Senior Management</b>	Document No.:	
	Issue No.:	01
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## 1. INTRODUCTION

This Policy sets out the criteria to be used in recommending the remuneration package of Directors and/or Senior Management of KYM Holdings Bhd (“KYM” or the “Company”).

## 2. OBJECTIVES

2.1 This Policy is designed to meet the following objectives:

- (a) To attract and motivate the Directors and key Senior Management to support and drive business strategies and long-term objectives of the Company and subsidiaries;
- (b) to create a strong performance-oriented environment, and be able to attract, develop and retain talent.
- (c) Align remuneration with long-term shareholder value creation, risk management, customer outcomes, culture development and transformation initiatives.
- (d) Ensure remuneration structures do not encourage excessive risk-taking and support sustainable business performance.

2.2 This Policy is guided by the following key principles:

- The level of remuneration package for Executive Directors and the key Senior Management shall be performance-based. Remuneration and rewards shall be granted based on the achievement of the Key Performance Indicator (KPI) and subject to the Company’s overall performance and affordability.
- Total remuneration shall be set at levels that are competitive with the relevant prevailing market practice and industry taking into consideration the overall performance of the Company and its subsidiaries, and the general economic situation.
- Fees payable to Non-Executive Directors and Executive Directors shall be by a fixed sum, and not by a commission on or percentage of profits or percentage of turnover.
- Periodic benchmarking of Directors’ remuneration against relevant industry peers may be undertaken to assess the Company’s competitiveness in the market. However, such benchmarking findings on remuneration should be used as a reference. Any revision to Directors’ remuneration must be aligned with the Company’s financial performance, affordability, and the long-term interests of shareholders. This is to prevent an upward ratchet in remuneration levels without corresponding improvements in corporate or individual performance. Remuneration decisions must strike an appropriate balance between market competitiveness and prudent cost management, especially in times of financial constraint.

## 3. SCOPE AND APPLICATION

This policy applies to Directors of the Company (Non-Executive Directors and Executive Directors, including the Chief Executive Officer (CEO)) and Senior Management of the Group. Key Senior Management includes the C-suites employees who are not directors, Managing Directors of

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operating subsidiaries, General Managers and equivalent, or any other persons whom the Board of Directors shall consider as being senior management.

#### **4. NON-EXECUTIVE DIRECTORS**

4.1 The remuneration of the Non-Executive Directors is to be made up as follows:-

- (a) Directors' fee comprising a base fee and additional fee for acting as Chairman of Board Committee; and
- (b) Meeting attendance allowance payable in cash, for each meeting attended physical or virtual. No distinction shall be made between participation in person and virtual participation by video, teleconference or other electronic means. Virtual participation during meetings will constitute attendance and meeting allowance will be accorded accordingly.

4.2 Annual Directors' fees for Directors and Non-Executive Directors' remuneration is a matter for the Board as a whole, depending on any additional responsibilities taken. The annual directors' fees payable to Directors and meeting attendance allowance payable to Non-Executive Directors are presented to the shareholders at the Annual General Meeting for their approval. Directors who are shareholders shall abstain from voting at the Annual General Meeting of the Company to approve their fees.

4.3 The Company may extend the participation of Share Issuance Scheme or any other long-term incentive plans to Non-Executive Directors subject to provisions set out in Main Market Listing Requirements of Bursa Malaysia Securities Berhad. The remuneration for Non-Executive Directors should not compromise or conflict with their obligation to bring objectivity and independent judgment on matters deliberated and decided upon at Board Meetings.

#### **5. EXECUTIVE DIRECTORS**

5.1 The remuneration components of Executive Directors including Executive Chairman and CEO shall consist of basic salary, performance-based bonus, defined contribution plan, Directors fee, benefits-in-kind and other allowance (where applicable).

5.2 The basic salary is determined according to:

- The scope of duties, responsibilities and accountability;
- The level of skills and experiences;
- The ethical values, internal balances and strategic targets of the Company;
- The individual and Group performance; and
- Prevailing market rates within the industry and in comparable companies.

and shall not include a commission on or percentage of turnover.

5.3 The performance-based bonus is designed to reward outstanding performance. The bonus is granted to reflect the performance of the Executive Director as well as the Group's results.

Executive Directors shall be assessed using a balanced performance framework covering: Financial, Customer, Internal Process and Learning & Growth.

- 5.4 Remuneration structures shall support KYM's long-term vision, including transformation, sustainable growth, and shareholder value creation.
- 5.5 The Company may provide competitive benefit such as a company car, driver, fuel expenses and any other short-term and/or long-term incentive plans.
- 5.6 The NRC shall assist the Board in implementing its policies and procedures on remuneration including reviewing the remuneration framework and recommending remuneration of Executive Directors to the Board. The remuneration of Executive Directors shall be approved by the Board after considering the NRC's recommendations and the Company's overall circumstances. The Executive Directors concerned shall not participate in the discussion to decide on their own remuneration but may attend the NRC meetings at the invitation of the Chairperson of the NRC, if their presence is required.

## **6. SENIOR MANAGEMENT**

- 6.1 The remuneration components for key Senior Management shall consist of basic salary, performance-based bonus, defined contribution plan and allowance. In addition to the benefits that are available to all employees of KYM Group, key Senior Management may receive other benefits that are considered to be appropriate in terms of the individual's role such as a fully-expensed car. The remuneration of Senior Management shall depend on the performance of the Group, performance of the individual and the prevailing market rate.
- 6.2 The CEO shall evaluate performance of key Senior Management using a balanced performance framework covering Financial, Customer, Internal Process and Learning & Growth annually and approve remuneration for key Senior Management. Determinations shall be made within the approved policy framework. Key Senior Management performance evaluation shall consider financial results, operational excellence, leadership impact, culture, talent development, customer outcomes and risk management. To safeguard the independence and authority of Senior Management personnel that are engaged in control functions, the remuneration of such individuals shall be based principally on the achievement of control functions objectives, and determined in a manner that is independent from the business lines they oversee. The remuneration of key Senior Management excluding Executive Chairman and CEO shall be approved by the Chief Executive Officer.

## **7. PERIODIC REVIEW OF POLICY AND PROCEDURES**

The NRC shall conduct a periodic review of this Policy at least once every two (2) years to ensure its relevance. Any amendments of this Policy shall be recommended to the Board for consideration and approval.

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## 8. AUTHORITY

The Board has the final authority and responsibility in implementing the Company's remuneration policy and approval of remuneration packages for Directors. The fees and meeting attendance allowance of Non-Executive Directors of the Company shall be approved at Annual General Meeting.